

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CLARK RURAL)
ELECTRIC COOPERATIVE CORPORATION)
FOR AUTHORITY TO EXECUTE ITS)
NOTE TO THE NATIONAL RURAL)
UTILITIES COOPERATIVE FINANCE)
CORPORATION IN THE AMOUNT OF)
\$1,002,000.00 AND FOR AUTHORITY)
TO EXECUTE A LOAN AGREEMENT) CASE NO. 9077
DATED AS OF MARCH 2, 1984)
BETWEEN CLARK RURAL ELECTRIC)
COOPERATIVE CORPORATION AND)
NATIONAL RURAL UTILITIES)
COOPERATIVE FINANCE CORPORATION)
AND FOR A CERTIFICATE OF)
CONVENIENCE AND NECESSITY)

O R D E R

Clark Rural Electric Cooperative Corporation ("Clark") filed its application on June 7, 1984, for authorization to borrow funds and to request a certificate of convenience and necessity to construct certain improvements and additions to its existing plant. These improvements and additions, as more specifically described in the application and record, are estimated to cost \$3,172,900 and will be financed by a loan of \$2,221,000 from the Rural Electrification Administration ("REA") and a loan of \$1,002,000 from the National Rural Utilities Cooperative Finance Corporation ("CFC"). The Commission requested additional information from Clark on July 11, 1984, and this was received on July 18, 1984.

The Public Service Commission, after consideration of the application and all evidence of record and being advised, is of the opinion and finds that:

1. Public convenience and necessity require the construction by Clark of the improvements and additions to its existing plant as described in the application and record, and that a certificate be granted.

2. The proposed borrowing from CFC is for lawful objects within the corporate purposes of Clark, is necessary and appropriate for and consistent with the proper performance by Clark of its service to the public, and will not impair its ability to perform that service.

IT IS THEREFORE ORDERED that Clark be and it hereby is granted a certificate of convenience and necessity to proceed with the construction as set forth in the application and record.

IT IS FURTHER ORDERED that Clark be and it hereby is authorized to borrow \$1,002,000 from CFC for a 35-year period at an initial interest rate of 11 1/4 percent per annum until 1991 and then be subject to change thereafter.

IT IS FURTHER ORDERED that Clark be and it hereby is authorized to execute its notes as security for the loan herein authorized.

IT IS FURTHER ORDERED that the proceeds from the proposed borrowing shall be used only for the lawful purposes set out in the application and record.

Done at Frankfort, Kentucky, this 27th day of July, 1984.

Richard D. Hermann
Chairman

Vice Chairman

Commissioner

Secretary